However, OMCs had reported backlog in LPG supplies in certain States in the country due to reduction in supply of bulk LPG by Reliance Industries Limited (RIL) & Essar Oil Limited in January 2008, delay in movement of bulk LPG by rail from Jamnagar to the Northern Region, increased demand in the States due to severe cold which resulted in panic booking by the customers, strikes by contract labour, agitational activities, delays in berthing of vessels at Haldia Port due to reduced draft, bandhs etc.

Government has advised OMCs to liquidate the backlog in the States by operating the bottling plants on holidays and during extended hours. Increased bottling is also being done during the working days for early clearance of backlog.

The State-wise details are available with the Directors (Marketing) of the concerned OMCs.

Raid on LPG distributors in Delhi

1208. SHRI AMAR SINGH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Government of N.C.T. of Delhi has recently raided the premises of a large number of Gas Agencies in the Capital who had been indulging in selling the cylinder in black market;

(b) if so, what are the names of such Agencies which have been found involved in the black market;

(c) whether Government of N.C.T. of Delhi had recommended cancellation of the licences of those agencies; and

(d) if so, the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) Yes, Sir. Government of N.C.T. of Delhi has reported that four LPG Distributorship of N.C.T. of Delhi, namely M/s Usha Gas Service, M/s Banaras Gas Agency, M/s Rakant Enterprises and M/s Shyamji Enterprises were allegedly found involved in black marketing.

(c) and (d) Government of N.C.T. of Delhi has also reported that they have taken up the matter with the concerned authority for taking necessary action.

Consequences of rise in price of petrol and diesel

1209. SHRI KAMAL AKHTAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government has made any assessment that the hike in prices of petrol and diesel will push up the prices of essential commodities, affecting all sections of the society, particularly the middle class and farmers;

(b) if so, the reasons for making such steep hike in prices of petrol and diesel;

(c) whether this rise would not have been necessary if Government had restricted the advalorem tax structure on import of petro projects;

(d) if so, the reasons for ignoring suggestions to cut excise and customs duties to minimize burden on the people; and

(e) by when this inflationary measures will be rolled back?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (e) The international prices of crude oil and petroleum products have remained high and volatile since 2004. As passing on the entire impact of the steep increase in the oil prices to the consumers would have resulted in hardship to the common man, the retail selling prices of sensitive petroleum products namely petrol, diesel, PDS Kerosene and domestic LPG have not been increased in tandem with the international oil prices. Due to this, the Public Sector Oil Marketing Companies (OMCs) are incurring under-recoveries in domestic sale of these sensitive petroleum products. To deal with the steep escalation in international oil prices, the Government has adopted the principle of equitable burden sharing between the Government, the oil PSUs and consumers to protect the interests of the common man and vulnerable sections of society, as also the financial health of OMCs.

In this context, the Government has made a marginal increase in petrol and diesel prices by Rs. 2/litre and Re. 1/litre respectively with effect from 15.2.2008, which is actually in the nature of a restoration of retail prices of these products to the price level operating before February, 2007. The Government has issued Oil Bonds and the Upstream Oil Companies have also contributed by offering discount on crude oil and petroleum products, to partially compensate the under-recoveries of OMCs.

To reduce the burden on the consumer, Central Taxes on sensitive petroleum products have been consciously rationalized. The Central Government levies no taxes-customs or excise- on PDS Kerosene and domestic LPG . The customs duty on petrol and diesel has been reduced from 10% to 7.5% effective 14.6.2006 and the ad-valorem component of excise duty on unbranded petrol and diesel has been abolished with effect from 1.3.2008. Considering its widespread use for cooking purposes, LPG (domestic) has been placed under the 'declared goods' category, thereby limiting State Governments' levy of sales tax to 4% throughout the country.

The Government is closely monitoring the international oil prices and will continue to protect the interests of consumers.

Supply of gas in Andhra Pradesh

1210. SHRI PENUMALLI MADHU: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the instructions issued to ONGC/GAIL by him in his letter dated 14 December, 2004 to supply additional natural gas to the existing plants in Andhra Pradesh were followed by the above organizations; and

(b) the present position with regard to approve a State-wide Gas Pipeline Network which enables the Andhra Pradesh State Government to reap all the benefits from the discoveries close to State boundries as proposed by Krishna Godavari Gas Network Ltd. (KGGNL)?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) Government issued instructions *vide* letter dated